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October 12, 2012

Directive 2012-28

TO: ALL PARTICIPATING LENDERS

SUBJECT: RE-PRICING POLICY FOR LOANS ON EXISTING HOMES

The purpose of this Directive is to provide you with the new Re-pricing Policy for Loans on Existing Homes, which is effective immediately. This new policy states that if a loan on an existing home is cleared for purchase after the initial commitment time frame (105 days from the reservation date), CDA will determine whether or not the loan will be purchased. If a decision is made to purchase the loan, the lender will receive no compensation, will be charged a 1% Non-Delivery Fee and if the interest rate increased from the original interest rate to the current interest rate for the applicable program, CDA Finance will calculate the cost to the lender. The "Re-pricing Policy for Loans on Existing Homes" follows as an enclosure. This Directive along with the enclosed "Re-pricing Policy for Loans on Existing Homes" will be uploaded to our website at: <http://www.mmprogram.com/SnglFamHsgDir.aspx> and also to Lender On-Line (under Program Documents/Single Family Housing Directives).

Please note: loans on newly constructed homes will not be considered for purchase beyond the 165-day deadline.

As always, we appreciate your continued participation in MMP. If you have any questions concerning this Directive or suggestions for improving our Program, please contact me directly at (410) 514-7508 or 1-800-638-7781 or by e-mail at manahan@mdhousing.org.

Sincerely,

William J. Manahan

William J. Manahan
Assistant Director, Homeownership Programs
Single Family Housing

Enclosure: Re-pricing Policy for Loans on Existing Homes

COMMUNITY DEVELOPMENT
ADMINISTRATION
DIVISION OF DEVELOPMENT FINANCE
100 Community Place
Crownsville, MD 21032

PHONE 410-514-7400

TOLL FREE 1-800-756-0119

TTY/RELAY 711 or 1-800-735-2258

WEB www.mdhousing.org



Re-pricing Policy for Loans on Existing Homes

1. For any loan that is cleared for purchase after the initial commitment time frame (105 days from the reservation date) expires, CDA will determine whether to approve the purchase.
2. If CDA decides to purchase the loan, the following conditions will apply:
 - Loan will be purchased without any compensation to the lender.
 - Lender will be charged a 1% Non-Delivery Fee for not meeting the initial commitment expiration date.
 - CDA Finance will calculate the cost to lender based on the difference between the original interest rate and the current market rate.